

**REGULAR WEEKLY SESSION-----ROANOKE CITY COUNCIL**

**March 4, 2002**

**The Council of the City of Roanoke met in regular session on Monday, March 4, 2002, at 12:15 p.m., the regular meeting hour, in the City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, Virginia, with Mayor Ralph K. Smith presiding, pursuant to Chapter 2, Administration, Article II, City Council, Section 2-15, Rules of Procedure, Rule 1, Regular Meetings, Code of the City of Roanoke (1979), as amended.**

**PRESENT: Council Members C. Nelson Harris, William D. Bestpitch, William H. Carder and Mayor Ralph K. Smith-----4.**

**ABSENT: Council Members W. Alvin Hudson, Jr., William White, Sr., Linda F. Wyatt-----3.**

**OFFICERS PRESENT: Elizabeth K. Dillon, Assistant City Attorney; and Mary F. Parker, City Clerk.**

**COMMITTEES-COUNCIL: A communication from Mayor Ralph K. Smith requesting that Council convene in a Closed Meeting to discuss personnel matters relating to vacancies on various authorities, boards, commissions and committees appointed by the Council, pursuant to Section 2.2-3711(A)(1), Code of Virginia (1950), as amended, was before the body.**

**Mr. Carder moved that Council concur in the request of the Mayor to convene in a Closed Meeting to discuss personnel matters relating to vacancies on various authorities, boards, commissions and committees appointed by the Council, pursuant to Section 2.2-3711(A)(1), Code of Virginia (1950), as amended. The motion was seconded by Mr. Harris and adopted by the following vote:**

**AYES: Council Members Harris, Bestpitch, Carder and Mayor Smith-----4.**

**NAYS: None-----0.**

**(Council Members Hudson, White and Wyatt were absent.)**

**PURCHASE/SALE OF PROPERTY-CITY MANAGER-COUNCIL:** A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss a matter with regard to disposition of publicly-owned property, pursuant to Section 2.2-3711(A)(3), Code of Virginia (1950), as amended, was before the body.

Mr. Carder moved that Council concur in the request of the City Manager to convene in a Closed Meeting to discuss a matter with regard to disposition of publicly-owned property, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended. The motion was seconded by Mr. Harris and adopted by the following vote:

**AYES:** Council Members Harris, Bestpitch, Carder and Mayor Smith-----4.

**NAYS:** None-----0.

(Council Members Hudson, White and Wyatt were absent.)

**PURCHASE/SALE OF PROPERTY-CITY MANAGER-COUNCIL:** A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss a matter with regard to disposition of publicly-owned property, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711(A)(3), Code of Virginia (1950), as amended, was before the body.

Mr. Carder moved that Council concur in the request of the City Manager to convene in a Closed Meeting to discuss a matter with regard to disposition of publicly-owned property, where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended. The motion was seconded by Mr. Harris and adopted by the following vote:

**AYES:** Council Members Harris, Bestpitch, Carder and Mayor Smith-----4.

**NAYS:** None-----0.

(Council Members Hudson, White and Wyatt were absent.)

**CITY MANAGER-ECONOMIC DEVELOPMENT-COUNCIL:** A communication from the City Manager requesting that Council convene in a Closed Meeting to discuss a matter with regard to expansion of an existing business where no previous announcement of the interest of the business in expanding its facilities in the City have been made, pursuant to Section 2.2-3711 (A)(5), Code of Virginia (1950), as amended, was before the body.

Mr. Carder moved that Council concur in the request of the City Manager to convene in a Closed Meeting to discuss a matter with regard to expansion of an existing business where no previous announcement of the interest of the business in expanding its facilities in the City have been made, pursuant to Section 2.2-3711 (A)(5), Code of Virginia (1950), as amended. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Harris, Bestpitch, Carder and Mayor Smith-----4.

NAYS: None-----0.

(Council Members Hudson, White and Wyatt were absent.)

At 12:17 p.m., the Mayor declared the meeting in recess to be immediately reconvened in Room 159, Noel C. Taylor Municipal Building, for a briefing on the “Unity Fountain.”

At 12:25 p.m., the Council meeting reconvened in Room 159, with all Members of the Council in attendance except Ms. Wyatt, Mayor Smith presiding.

In addition to the Assistant City Attorney and the City Clerk, the City Manager and Director of Finance were present.

**UNITY SCULPTURE:** The City Manager introduced a briefing on the “Unity Sculpture”, a proposal submitted by the National Conference for Community and Justice, Roanoke Chapter (NCCJ). She advised that NCCJ is interested in placing a sculpture at the far end of First Union Plaza on City owned property; however, before engaging in fund raising efforts, the NCCJ would like the endorsement of Council regarding a specific location prior to approaching potential donors.

The following is background information on the proposed sculpture.

Roanoke sculptor, Judith R. Damon, has been interested in using art to promote better understanding between different cultures as a pathway to world peace. She feels strongly that children will lead the way to peace, since they are instinctively “color blind” and accepting of other children on a non-judgmental basis.

In May 1996, Ms. Damon conceived the idea of a sculpture that would celebrate world peace and international understanding by depicting children from different countries and continents joining hands and

dancing around a world globe. The idea became a three dimensional reality as she created a small model which she kept on display in her studio at the original Studios on The Square.

In 1999, an American who was living in Germany and serving on the Board of Directors of a new International School in the Czech Republic, visited Ms. Damon's studio and identified the sculpture as a piece of art that could serve as a center piece for the new campus they were about to construct, thus, the Townshend School named the sculpture "World Embracing", and decided against a solid globe in lieu of an open armillary globe.

The artist arranged to work in a vacant store at Towers Shopping Center where Roanokers were allowed to observe her work, and some of the most frequently heard comments as people viewed the sculpture being created had to do with expressions of regret that the sculpture was not going to be installed in the Roanoke area.

In the fall of 2001, a Roanoke native, Nancy Eitner, approached sculptor Damon to inquire if it was possible to have a copy of the bronze sculpture made for Roanoke and offered her service to coordinate fund-raising. It was at this point that the National Conference for Community and Justice was asked to be official sponsors of the project. The NCCJ views the sculpture as its permanent gift to the City, symbolizing the unity in diversity that NCCJ has worked to promote in the Roanoke Valley, and, in that spirit, the NCCJ renamed the work the 'Unity Fountain', with the goal to use the dedication of the fountain as the center piece of the 2003 "Local Colors" Celebration.

In seeking a proper location for the "Unity Sculpture", it is felt that with the City's approval, a position at the far end of the area now known as "First Union Plaza" would be ideal for several reasons. The grassy plot adjacent to the Market area is the site of many local events, which would provide numerous people with the opportunity to see the sculpture and to receive its "message". The location is just outside the building housing the entrance to the overhead walkway to The Hotel Roanoke. As such, it is far enough out of the way so as not to interfere with any activity in the plaza, but is in a perfect position to serve as a "welcome" to visitors coming downtown from the hotel. The site is adjacent to the new rail walk and would be across the street from the proposed new IMAX Theater. The sculpture would become a unique "photo opportunity" for visitors and locals alike.

**It is believed that the “Unity Sculpture” will serve as a beautiful, inspiring and lasting enhancement to the City of Roanoke for generations to come and if the “Unity Sculpture” is approved, the most appropriate name for its location would be, “Unity Plaza”, thus tying into the purpose of the sculpture while eliminating the present commercial reference.**

**The National Conference for Community and Justice requests that Council approve the gift of the “Unity Sculpture” to the City of Roanoke, to be located as indicated in a diagram filed with the City. No request for funds is made of the City of Roanoke, since all funds required to have the sculpture cast, shipped and installed will be raised privately.**

**Wanda B. Reed, Acting Director, Department of Parks and Recreation, advised that when the request of the NCCJ to place the sculpture in the First Union Plaza was first reviewed, there was a concern with regard to the “ Dog Mouth” fountain which is located in the same general area and has been a part of downtown Roanoke for a number of years. She stated that the original design was to be a fountain that was later changed to a sculpture which will be a gift to the City of Roanoke at no cost to the City.**

**Pearl Fu, Multi-Cultural Program Specialist, NCCJ, spoke in support of the sculpture. She called attention to discussions with Roanoke Valley Sister Cities officials, Robert Roth, President, and David K. Lisk, Executive Director, who advised that there will be no conflict between the “Unity Sculpture” and the “Sister Cities Sculpture”.**

**Discussion centered around the following topics:**

**The Architectural Review Board and the Roanoke Arts Commission would have to review the proposal and it is anticipated that both reviews could occur within the next 30 days.**

**The proximity of the proposed second First Union Tower to the proposed “Unity Sculpture”.**

**The City Manager should review the proposed site, along with other potential sites throughout the City, to determine if the First Union Plaza is the most appropriate location.**

**Coordination of timing with other projects such as the Dr. Martin Luther**

**King, Jr. Memorial and other pending City projects.**

**Citizen input should be sought on both design and location of the “Unity Sculpture”.**

**The City Manager advised that a review by the Architectural Review Board and the Roanoke Arts Commission could bring forth other potential sites, and it is anticipated that a report will be submitted to Council within the next 30-45 days.**

**At 12:55 p.m., the Mayor declared the meeting in recess to be immediately reconvened in Closed Session in the City Council’s Conference Room, located adjacent to the City Council Chamber.**

**At 1:50 p.m., the meeting reconvened in the City Council Chamber, with Mayor Smith presiding and all Members of the Council in attendance, except Ms. Wyatt.**

**COUNCIL: With respect to the Closed Meeting just concluded, Mr. Bestpitch moved that each Member of City Council certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed or considered by City Council. The motion was seconded by Mr. Carder and adopted by the following vote:**

**AYES: Council Members Hudson, Harris, Bestpitch, Carder and Mayor Smith-----5.**

**NAYS: None-----0.**

**(Council Member White was not present when the vote was recorded.) (Council Member Wyatt was absent.)**

**OATHS OF OFFICE-HOTEL ROANOKE CONFERENCE CENTER COMMISSION-COMMITTEES-BLUE RIDGE BEHAVIOR HEALTHCARE: Council at its meeting on Tuesday, February 19, 2002, having tabled reports of qualification of Ralph K. Smith as a member of the Hotel Roanoke Conference Center Commission to fill the unexpired term of James D. Grisso, resigned, commencing February 1, 2002, and ending April 12, 2004; and Delores Y. Johns as a member of the Blue Ridge Behavioral Healthcare, Board of Directors, for a term ending December 31, 2004, Mr. Harris moved that the reports of qualifications be removed from the table. The motion was seconded by Mr. Bestpitch and adopted.**

Mr. Harris moved that Council approve the appointment of Ralph K. Smith as a Commissioner of the Hotel Roanoke Conference Center Commission for a term ending April 12, 2004; and the reappointment of Dolores Y. Johns as a member of the Blue Ridge Behavioral Healthcare, Board of Directors, for a term ending December 31, 2004. The motion was seconded by Mr. Carder and adopted.

**OATHS OF OFFICE-LIBRARIES:** The Mayor advised that there is a vacancy on the Roanoke Public Library Board created by the resignation of Eugene Wirt, Jr., for a term ending June 30, 2002, and called for nominations to fill the vacancy.

Vice-Mayor Carder placed in nomination the name of Stanley G. Breakell.

There being no further nominations, Mr. Breakell was appointed as a member of the Roanoke Public Library Board to fill the unexpired term of Eugene Wirt, Jr., resigned, ending June 30, 2002, by the following vote:

**FOR MR. BREAKELL:** Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.

(Council Member Wyatt was absent.)

At 1:55 p.m., the Mayor declared the meeting in recess to be reconvened at 2:00 p.m., in the City Council Chamber.

At 2:00 p.m., on Monday, March 4, 2002, the regular meeting of City Council reconvened in the Roanoke City Council Chamber, fourth floor, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with the following Council Members in attendance, Mayor Smith presiding.

**PRESENT:** Council Members W. Alvin Hudson, Jr., C. Nelson Harris, William D. Bestpitch, William H. Carder, William White, Sr. and Mayor Ralph K. Smith---  
-----6.

**ABSENT:** Council Member Linda F. Wyatt-----1.

**OFFICERS PRESENT:** Darlene L. Burcham, City Manager; Elizabeth K. Dillon, Assistant City Attorney; Jesse A. Hall, Director of Finance; and Mary F. Parker, City Clerk.

The reconvened meeting was opened with a prayer by The Reverend Tupper Garden, Pastor, Raleigh Court Presbyterian Church.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Smith.

**PRESENTATIONS AND ACKNOWLEDGEMENTS:**

**PROCLAMATIONS:** The Mayor presented a proclamation declaring the month of March 2002 as National Nutrition Month.

**CONSENT AGENDA**

The Mayor advised that all matters listed under the Consent Agenda were considered to be routine by the Members of Council and would be enacted by one motion in the form, or forms, listed on the Consent Agenda, and if discussion was desired, that item would be removed from the Consent Agenda and considered separately.

**MINUTES:** Minutes of the regular meeting of Council held on Tuesday, January 22, 2002, were before the body.

Mr. Bestpitch moved that Council dispense with the reading of the minutes and that the minutes be approved as recorded. The motion was seconded by Mr. Carder and adopted by the following vote:

**AYES:** Council Members Hudson, Harris, Bestpitch, Carder, White, and Mayor Smith-----6.

**NAYS:** None-----0.

(Council Member Wyatt was absent.)

**PURCHASE/SALE OF PROPERTY:** A communication from the City Manager advising that the City of Roanoke owns property located on Nelms Lane, N. E., identified as Official Tax No. 7400500; an adjacent property owner has contacted the City regarding the purchase of the property; it has been determined that there is no real benefit in City ownership of the parcel of land; and in correspondence dated February 11, 2002, the adjacent property owner has offered to purchase the property for \$500.00 which is the current assessed value, was before Council.



The City Manager recommended that Council authorize scheduling and advertisement of a public hearing to consider the transfer of said property.

Mr. Bestpitch moved that Council concur in the request of the City Manager. The motion was seconded by Mr. Carder and adopted by the following vote.

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White, and Mayor Smith-----6.

NAYS: None-----0.

(Council Member Wyatt was absent.)

(A public hearing was advertised for Monday, March 18, 2002, at 7:00 p.m., or as soon thereafter as the matter may be heard.)

**ZONING-ARMORY/STADIUM:** A communication from the City Manager advising that in May 2001, Council authorized the City Manager to acquire property across Orange Avenue from the Roanoke Civic Center for the new multi-purpose stadium/amphitheatre; properties for the facility have been acquired, with the exception of one parcel of land on which discussions are continuing (Official Tax No. 3070319); an architect has been selected and the City is proceeding with design and development of the complex, was before Council.

It was further advised that current zoning of most of the subject properties is LM, Light Manufacturing District, which does not provide for a stadium/amphitheatre facility; a few parcels of land are zoned C-2, General Commercial District, which could permit a stadium facility; therefore, rezoning of the property to C-3, Central Business District, is recommended; and the existing Civic Center, a companion facility, is zoned C-3 and will provide additional parking for the new facility.

It was explained that the City's Comprehensive Plan, *Vision 2001-2020*, recommends that Roanoke develop, maintain and manage recreation facilities that enhance the City and the region's quality of life; and the plan also recommends the redevelopment of underutilized industrial sites and continued investment in the downtown to serve the region's central business district with opportunities for downtown living, office space, retail and cultural and entertainment attractions.

The City Manager recommended that she be authorized to file a petition to

rezone property described as Official Tax Nos. 3070301-3070310, inclusive, 3070313-3070316, inclusive, 2041816 and 2041817, from LM, Light Manufacturing District, to C-3, Central Business District, and Official Tax No. 3070501 and 3070318 from C-2, General Commercial District, to C-3, Central Business District, with said rezoning petition to include Official Tax No. 3070319, now under negotiation, pending agreement and signature of the property owners.

Mr. Bestpitch moved that Council concur in recommendation of the City Manager. The motion was second by Mr. Carder and adopted by the following vote:

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White, and Mayor Smith-----6.

NAYS: None-----0.

(Council Member Wyatt was absent.)

(See page 19.)

**AIRPORT-OATHS OF OFFICE-COMMITTEES-TOWING CONTRACT:** The following reports of qualification were before Council:

Harold F. Wallick as a member of the Towing Advisory Board to fill the unexpired term of Sergeant C. A. Karr, resigned, ending June 30, 2003; and;

Claude N. Smith as a member of the Roanoke Regional Airport Commission for a term ending March 9, 2006.

Mr. Bestpitch moved that the reports of qualification be received and filed. The motion was seconded by Mr. Carder and adopted by the following vote:

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White, and Mayor Smith-----6.

NAYS: None-----0.

(Council Member Wyatt was absent.)

## **REGULAR AGENDA**

**PUBLIC HEARINGS: None.**

### **PETITIONS AND COMMUNICATIONS:**

**BUDGET-YOUTH:** Council Member Harris presented a communication transmitting information on the Roanoke Adolescent Health Partnership (RAHP) and its services to youth. He advised that the Partnership provides an excellent and needed program in the community and called attention to difficulties that the program faces with regard to funding. He noted that as the program has neared the end of its funding cycles for grants, money to support the program has dramatically decreased; with the decreased income, the Partnership has had to decrease direct care hours; for the current school year, clinic service hours have been reduced from 28 hours at each school site to 16 hours at Patrick Henry High School, 20 hours at William Fleming High School and Ruffner Middle School and from 20 to eight hours at Hurt Park Elementary School. He noted that this reduction in staff and direct care hours comes when the demand for those services has not been reduced; and in short, clinics continue to see the same amount of students compressed into less time with less staff.

Mr. Harris presented a needs package that was prepared by the RAHP that could be used by Council and staff during budget study deliberations. He noted that the Partnership has presented various options ranging from \$25,000.00 to \$55,000.00; their request is primarily for a funded position to seek grant and other funding mechanisms, as well as to establish the relationship necessary to conduct third-party billing when appropriate. He stated that realistically, part-time nurses and clerks cannot be expected to find the time necessary to do the work when managing a full-time caseload, and it is believed that the clinics can be put on more solid fiscal footing if a third party billing system is established.

Mr. Harris moved that the matter be referred to fiscal year 2002-03 budget study. The motion was seconded by Mr. Bestpitch and adopted.

### **REPORTS OF OFFICERS:**

**CITY MANAGER:**

**BRIEFINGS: None.**

### **ITEMS RECOMMENDED FOR ACTION:**

**INDUSTRIES-ECONOMIC DEVELOPMENT-RAIL SERVICE-HOUSING/  
AUTHORITY-INDUSTRIES-RIVERSIDE CENTER:** The City Manager submitted a communication advising that WHPT Co., Inc., a business currently located in the South Jefferson Redevelopment Area (SJRA), is being relocated due to the redevelopment plan; WHPT requires rail siding and has found a site in the City of Roanoke, which site needs upgrades to the rail line that will cost in excess of \$135,000.00; WHPT has approached the City of Roanoke to apply, on its behalf, to the Virginia Department of Rail and Public Transportation Railroad Industrial Access Program for funds to help defer a portion of the cost; the application must be filed by the City for the industry and must be accompanied by a resolution from the local governing authority in support of the application; and the City will not incur any monetary obligation to provide any part of the funds.

It was further advised that redeveloping the South Jefferson area into the Riverside Centre for Research and Technology is a priority of the City of Roanoke, and must be preceded by the relocation of several businesses in the area; and it is in the best interest of the City to keep WHPT and other displaced businesses from the South Jefferson Redevelopment area in the City of Roanoke.

The City Manager recommended that she be authorized to file an application, or other documents, with the Virginia Department of Rail and Public Transportation for the Railroad Industrial Access Program for WHPT Co., Inc., to assist the company in obtaining \$60,000.00 in Program funds and to state the City's support for WHPT receiving such Program funds from the state.

Mr. Carder offered the following resolution:

(#35761-030402) A RESOLUTION authorizing the City Manager to file an application or other documents with the Virginia Department of Rail and Public Transportation for WHPT Co., Inc., for \$60,000.00 in Industrial Access Railroad Track Funds and to state the City's support for WHPT receiving such funds.

(For full text of Resolution, see Resolution Book No. 65, page 446.)

Mr. Carder moved the adoption of Resolution No. 35761-030402. The motion was seconded by Mr. Bestpitch and adopted by the following vote:

**AYES:** Council Members Hudson, Harris, Bestpitch, Carder, White, and Mayor Smith-----6.

**NAYS: None-----0.**

**(Council Member Wyatt was absent)**

**BUDGET-GRANTS:** The City Manager submitted a communication advising that the concept of a formal grantsmanship program to enhance the level of grant funding received by the City of Roanoke has been considered and evaluated for the past several months; currently, City departments apply for special purpose grants on an as needed basis; and because of limited internal capacity, efforts to research and aggressively seek grant funding opportunities are restricted.

It was further advised that a Request for Proposals for the provision of grant writing services was publicly advertised; proposals were received from six firms, with four proposals being compliant with the specifications outlined in the Request for Proposals, which were ranked and interviewed by an internal evaluation committee; and Randall Funding and Development, Inc., ranked first and is the only firm offering a guarantee to secure \$1 million in grant funding, provided that the company is authorized to pursue and apply for \$3.5 million in funding opportunities.

It was further advised that scope of services to be provided by Randall Funding and Development, Inc., includes development of a strategic grant funding plan based on a funding needs analysis, grant funding research, and grant proposal development; a contract term of two years has been agreed upon, at a cost of \$25,000.00 retainer fee and \$4,000.00 per month, with no additional out-of-pocket expenses; and total funding required for the services is \$73,000.00 for the first year and \$48,000.00 for the second year.

The City Manager explained that in these difficult economic times, it is important to take steps that may enhance the City's available financial resources; there are many areas within the Vision 2001 - Comprehensive Plan that could benefit from grant opportunities that Randall Funding and Development, Inc., would apply for; current projects, such as the Southeast Pilot project, could also be a beneficiary of the services; public safety grant funding may be available due to the President's homeland security initiative; and a funding commitment of \$121,000.00 for this service guarantees the receipt of at least \$1,000,000.00 in grant funding, for a net gain of \$879,000.00 in two years.

The City Manager recommended that she be authorized to enter into an

agreement with Randall Funding and Development, Inc., in a form approved by the City Attorney, for grant writing services; and that Council authorize the transfer of \$121,000.00 from Account No. 001-250-9110-1125 to an account to be established by the Director of Finance in the Capital Projects Fund.

Mr. Carder offered the following emergency budget ordinance:

(#35762-030402) AN ORDINANCE to amend and reordain certain sections of the 2001-2002 General and Capital Projects Fund Appropriations, and providing for an emergency.

(For full text of Ordinance, see Ordinance Book No. 65, page 447.)

Mr. Carder moved the adoption of Ordinance No. 35762-030402. The motion was seconded by Mr. Harris.

Ms. Evelyn D. Bethel, 35 Patton Avenue, N. E., inquired as to what type of grant funding that will be requested by the City. She stated that neighborhoods are in peril; the Harrison Museum of African-American Culture has requested additional funds from the City of Roanoke, and the City Manager was requested by the Harrison Museum Board of Directors to assign a City employee to the Harrison Museum for a short time to assist the organization in pursuing grant opportunities; however, both requests were denied. She advised that State funds have been decreased and funding is limited, but before the City Manager's recommendation is approved, citizens should know what type of grant funding will be requested because it is possible that funds being sought and received could be contrary to the City's neighborhoods.

Ordinance No. 35762-030402 was adopted by the following vote:

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.

NAYS: None-----0

(Council Member Wyatt was absent.)

Mr. Carder offered the following resolution:

(#35763-030402) A RESOLUTION authorizing execution of a contract with Randall Funding and Development Inc., for grant writing services in order to enhance

the level of grant revenue received by the City, upon certain terms and conditions.

(For full text of Resolution, see Resolution Book No. 65, page 449.)

Mr. Carder moved the adoption of Resolution No. 35763-030402. The motion was seconded by Mr. Harris and adopted by the following vote:

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.

NAYS: None-----0.

(Council Member Wyatt was absent.)

**PURCHASE/SALE OF PROPERTY-BUDGET-STREETS AND ALLEYS-TRAFFIC-SIGNALS AND ALARMS:** The City Manager submitted a communication advising that the proposed realignment and signalization of Riverland Road/Mt. Pleasant Boulevard and Bennington Street will require the acquisition of property rights; design of the project to improve the intersection is sufficiently complete to identify the property rights necessary for construction of the improvements; authorization is needed to move forward with procurement of title work, appraisals, and document preparation related to acquisition of the necessary property rights; and estimated expenses related to acquisition of property are not expected to exceed \$50,000.00 which is available in the Roadway Safety Improvement Program capital project, Account No. 008-052-9606.

In conjunction with the City Attorney, the City Manager recommended authorization to acquire all necessary property rights, said property rights may be acquired by negotiation or eminent domain, and may include fee simple, permanent easements, permanent access easements, temporary construction easements, rights-of-way, licenses or permits, etc., subject to a satisfactory environmental site inspection; and that Council approve the transfer of \$50,000.00 from Account No. 008-052-9606 to an account to be established by the Director of Finance entitled, "Riverland Road/Mt. Pleasant Boulevard/Bennington Street Intersection Improvements Project".

Mr. Carder offered the following emergency budget ordinance:

(#35764-030402) AN ORDINANCE to amend and reordain certain sections of the 2001-2002 Capital Projects Fund Appropriations, and providing for an emergency.

(For full text of Ordinance, see Ordinance Book No. 65, page 449.)

**Mr. Carder moved the adoption of Ordinance No. 35764-030402. The motion was seconded by Mr. Harris and adopted by the following vote:**

**AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.**

**NAYS: None-----0.**

**(Council Member Wyatt was absent.)**

**Mr. Carder offered the following ordinance:**

**(#35765-030402) AN ORDINANCE providing for the acquisition of certain property rights needed by the City for the Riverland Road/Mt. Pleasant Boulevard/Bennington Street Intersection Improvements Project; setting a limit on the consideration to be offered by the City; providing for the City's acquisition of such property rights by condemnation, under certain circumstances; and dispensing with the second reading of this ordinance by title.**

**(For full text of Ordinance, see Ordinance Book No. 65, page 451.)**

**Mr. Carder moved the adoption of Ordinance No. 35765-030402. The motion was seconded by Mr. Harris and adopted by the following vote:**

**AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.**

**NAYS: None-----0.**

**(Council Member Wyatt was absent.)**

**FINANCIAL REPORTS: The Director of Finance submitted the Financial Report for the City of Roanoke for the month of January 2002.**

**There being no questions and without objection by Council, the Mayor advised that the financial report would be received and filed.**

**BUDGET-BONDS/BOND ISSUES-ROANOKE CIVIC CENTER: The Director of Finance submitted a written report advising that the City's 2002 General Obligation Public Improvement Bonds of \$56,245,000.00 have been issued, with proceeds available for appropriation; and several projects have been established and funded**



from the 2002 General Obligation Bonds in advance of issuance, totaling \$12,699,700.00.

The Director of Finance presented an ordinance which will transfer \$830,000.00 to the Civic Center Fund that was originally transferred to the Capital Projects Fund from the General Fund; the change is made in conjunction with a change made by Council action on January 22, 2002, whereby the amount of bonds issued for the Civic Center project was decreased \$830,000.00 and the amount of bonds issued for the Stadium project was increased \$830,000.00, which change was made to ensure that all bonds were issued as tax exempt bonds, providing the lowest total interest expense to the City.

It was explained that funding of \$2.5 million for the Shenandoah Parking Garage was originally appropriated in the Capital Projects Fund; a proposed budget ordinance will also shift this project to the Transportation Fund where the City's parking garages are recorded; and funding from both the Series 2002 Bonds and General Revenues are being transferred.

Mr. White offered the following emergency ordinance:

(#35766-030402) AN ORDINANCE to amend and reordain certain sections of the 2001-2002 General, Water, Civic Center, Transportation, Capital Project and School Capital Project Funds Appropriations, and providing for an emergency.

(For full text of Ordinance, see Ordinance Book No. 65, page 452.)

Mr. White moved the adoption of Ordinance No. 35766-030402. The motion was seconded by Mr. Carder and adopted by the following vote:

AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.

NAYS: None-----0.

(Council Member Wyatt was absent.)

REPORTS OF COMMITTEES: None.

UNFINISHED BUSINESS: None.

INTRODUCTION AND CONSIDERATION OF ORDINANCES AND RESOLUTIONS: None.

**MOTIONS AND MISCELLANEOUS BUSINESS:**

**INQUIRIES/OR COMMENTS BY THE MAYOR AND MEMBERS OF COUNCIL:**

**FIRST CITIES COALITION:** Mr. Carder offered the following resolution:

**(#35767-030402) A RESOLUTION** highlighting the inadequacies of funds currently received from the Commonwealth of Virginia and supporting the Virginia First Cities Coalition plan of action to address a better financial structure between the State and local government.

(For full text of Resolution, see Resolution Book No. 65, page 456.)

Mr. Carder moved the adoption of Resolution No. 35767-030402. The motion was seconded by Mr. Bestpitch.

Vice-Mayor Carder, one of the City's representatives to the Virginia First Cities Coalition, advised that Council was briefed on February 19, 2002, on certain initiatives of the First Cities Coalition; whereupon, he reviewed the following pertinent paragraphs contained in the above referenced resolution:

1. The Council endorses the efforts of the Virginia First Cities Coalition to cause the state to work collaboratively with the cities to adopt and implement comprehensive structural changes to the intergovernmental relationship and most immediately provide adequate funding for education and transportation and authorizes the City Manager to take such actions as are necessary to support this effort.
2. That the work plan of the Coalition be endorsed. The actions will include:
  - A. Work with the Governor and his administration to develop an urban strategy that responds to the urban needs of cities by redesigning the state-local relationship to balance service responsibilities with revenue capacity, and change the tax structure and other revenue controls to recognize new economic opportunities for the state and localities;

- B. Work with the Governor and General Assembly to provide adequate State funds to cities for education and transportation programs;**
- C. Support state legislation that provides the needed local flexibility in the generation of additional revenue for regional transportation improvements and the use of VDOT funds for proper maintenance of urban streets in parity with those in non-urban areas;**
- D. Implement strategies of public outreach to enhance the public's understanding of the under funding and obtain support for immediate action for reform; and**
- E. Examine and pursue other appropriate means, up to and including the study of the feasibility of legal redress, if necessary, to seek and obtain adequate funding from the State.**

The City Manager, who is also a City of Roanoke representative to the Virginia First Cities Coalition, advised that she attended an administrative meeting of the First Cities Coalition approximately ten days ago and it was the consensus of the organization to request the governing bodies of each of the member localities to formally adopt a resolution in support of the above referenced items since it is believed that the outcome of the State's budget will not improve the circumstances of localities but will, in fact, cause circumstances that will need to be addressed in the upcoming budget. She stated that adoption of the resolution by member jurisdictions of the First Cities Coalition will begin to show the strength of localities and identify the need for the Governor and the General Assembly to look more seriously at urban issues. She encouraged adoption of the resolution and advised that there will be another meeting of the First Cities Coalition on March 28, 2002, at which time initiatives, if any, that should be taken prior to the veto session of the General Assembly will be identified.

**Resolution No. 35767-030402 was adopted by the following vote:**

**AYES: Council Members Hudson, Harris, Bestpitch, Carder, White and Mayor Smith-----6.**

**NAYS: None-----0.**

**(Council Member Wyatt was absent.)**

**CITY COUNCIL-CITY EMPLOYEES:** Council Member Hudson requested that newly hired City of Roanoke department directors be formally introduced at a City Council meeting.

**CITY COUNCIL:** Council Member Bestpitch moved that citizens wishing to address Council under Item 12, Hearing of Citizens Upon Public Matters, may advise the City Clerk prior to 5:00 p.m., on Tuesday before any regularly scheduled Council meeting, which is the deadline for receipt of agenda items, and their names and topics for discussion will appear on the printed City Council agenda; any citizen who has not advised the City Clerk prior to the agenda deadline of their request to speak will continue to be heard under item 12 by registering with the City Clerk prior to arriving at the item on the agenda, which is the current practice of Council. The motion was seconded by Mr. Harris and adopted.

**CITY MANAGER COMMENTS:** None.

**HEARING OF CITIZENS UPON PUBLIC MATTERS:** The Mayor advised that City Council sets this time as a priority for citizens to be heard; it is also a time for informal dialogue between Council Members and citizens; and matters requiring referral to the City Manager will be referred immediately for any necessary and appropriate response, recommendation or report to Council.

**ZONING-ARMORY/STADIUM:** Ms. Evelyn D. Bethel, 35 Patton Avenue, N. E., addressed Consent Agenda Item No. C-3 with regard to a recommendation by the City Manager to file a petition to rezone property acquired for the stadium/amphitheater facility, which is to be located on the north side of Orange Avenue, N. E. She inquired if a public hearing has been held to receive citizen input on the location of the proposed stadium/amphitheater facility.

Vice-Mayor Carder advised that the procedure for rezoning property involves a public hearing by the City Planning Commission and a public hearing by City Council and citizens may appear before both the Planning Commission and the Council to express their views.

At 2:45 p.m., the Mayor declared the meeting in recess for three Closed Sessions.

At 3:40 p.m., the meeting reconvened in the City Council Chamber, with all Members of the Council in attendance except Ms. Wyatt, Mayor Smith presiding.

**COUNCIL:** With respect to the Closed Meeting just concluded, Mr. Bestpitch moved that each Member of City Council certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed or considered by City Council. The motion was seconded by Mr. Carder and adopted by the following vote:

**AYES:** Council Members Hudson, Harris, Bestpitch, Carder and Mayor Smith-----6.

**NAYS:** None-----0.

(Council Member White was out of the Council Chamber when the vote was recorded.) (Council Member Wyatt was absent.)

There being no further business, at 3:42 p.m., the Mayor declared the meeting in recess to be reconvened on Friday, March 8, 2002, at 8:30 a.m., in the Buck Mountain Room, Hotel Roanoke Conference Center, 106 Shenandoah Avenue, N. W., City of Roanoke, at which time Council will conduct its Financial Planning Session.

The regular meeting of Roanoke City Council reconvened on Friday, March 8, 2002, at 8:30 a.m., in the Buck Mountain Room, Hotel Roanoke Conference Center, 106 Shenandoah Avenue, N. W., Roanoke, Virginia, with Mayor Ralph K. Smith presiding.

**COUNCIL MEMBERS PRESENT:** W. Alvin Hudson, Jr., C. Nelson Harris, William D. Bestpitch, William H. Carder, William White, Sr., Linda F. Wyatt and Mayor Ralph K. Smith-----7.

**ABSENT:** None-----0.

**OTHERS PRESENT:** Darlene L. Burcham, City Manager; Elizabeth K. Dillon, Assistant City Attorney; Jesse A. Hall, Director of Finance; Mary F. Parker, City Clerk; School Trustees: Charles W. Day, Marsha W. Ellison, Gloria P. Manns, Melinda J. Payne, (arrived at 11:25 a.m.); E. Wayne Harris, Superintendent; Richard L. Kelley, Superintendent for Operations; Willard N. Claytor, Director of Real Estate Valuation; Troy A. Harmon, Municipal Auditor; George C. Snead, Jr., Assistant City

**Manager for Operations; Rolanda A. Johnson, Assistant City Manager for Community Development; Ann H. Shawver, Manager of Accounting Services; Barry L. Key, Director of Management and Budget; Sherman M. Stovall, Planning and Support Services Superintendent; Alicia F. Stone, Budget Administrator; Michael T. McEvoy, Director of Utilities; Stephen S. Shirley, Wastewater Manager; Phillip C. Schirmer, City Engineer; Frank E. Baratta, Budget Team Leader; and David A. Diaz, Assistant to the City Manager.**

**BUDGET:** The City Manager welcomed School Trustees to the meeting and advised that this is the first time that City Council and the School Board have participated in a Financial Planning Session. She explained that the Financial Planning Session provides Council with an opportunity to review long term and short term budget needs of the City, and the School Board was invited in order to gain a better understanding of the future challenges facing City Council. She advised that the session will provide a building block as staff prepares for fiscal year 2002-03 budget study, and expressed appreciation to all attendees for taking time out of their schedules to participate in the day-long meeting.

The Director of Finance advised that timing for the Financial Planning Session is appropriate because the City of Roanoke just completed one of the largest capital bond financings in the history of the City, and a difficult budget year is anticipated. He presented each Member of Council with copy of the City of Roanoke Revenue Compendium which lists a majority of City revenues with a ten year history.

Mr. Bestpitch advised that it will be necessary for him to leave the meeting at approximately 11:30 a.m., to attend an out of the city training seminar.

The first item of business was a review of the following projects identified to be included in the Capital Improvements Program:

**Art Museum/IMAX Theater  
Bridge Renovation Program - Walnut Avenue  
Building Repairs and Renovations  
Civic Center Improvement - Phase I  
Crystal Spring Filter Plant  
Curb, Gutter and Sidewalk Program  
High School Renovation - Patrick Henry  
Neighborhood Storm Drains  
Parks Master Plan - Phase II  
Passenger Station  
Police Building - Phase II**

**Railside Linear Walk - Phase V  
Riverside Center for Research and Technology  
Roanoke Academy for Math and Science  
Roanoke River Greenway  
Stadium/Amphitheater  
YMCA Aquatic Center**

**It was advised that the following actions have been taken by Council:**

**City Council Budget Study for fiscal year 2002:**

**Increased the Cigarette Tax to provide \$5.0 million in bond funding for curb, gutter and sidewalk projects.**

**Approved a water rate restructuring plan to provide \$5.445 million in bond funding for the Crystal Spring Filter Plant.**

**Approved a financing strategy that increased bond financing for the stadium/amphitheater project to \$16.2 million.**

**Approved a \$117 million update to the Capital Improvement Program resulting in a five year \$384 million program requiring bond financing of \$56,245,000.00 in fiscal year 2002 and \$36,870,000.00 at a future date.**

**Authorized \$700,000.00 in additional local cash funding for the Roanoke Academy for Math and Science project.**

**A chart was reviewed showing fiscal year 2002-06 Capital Improvement Program expenditure percentage by major category; i.e.: storm water management - 15 per cent, streets, sidewalks and bridges - 20 per cent, schools - 16 per cent, civic facilities - 6 per cent, parks - 5 per cent, water - 2 per cent, economic development - 14 per cent, buildings - 4 per cent, and sewer - 18 per cent.**

**Capital Improvement Program Expenditures and Bond Requirements include:**

<b>Buildings</b>	<b>\$ 15.6M</b>
<b>Economic Development</b>	<b>54.2M</b>
<b>Shenandoah Parking Garage</b>	<b>\$ 2,500,000.00</b>
<b>Riverside Center for Research and Technology</b>	<b>12,000,000.00</b>
<b>Parks</b>	<b>19.2M</b>

<b>Schools</b>	<b>59.9M</b>
Roanoke Academy for Math and Science	4,600,000.00
<b>Stormwater Management</b>	<b>58.2M</b>
Roanoke River Flood Reduction	7,500,000.00
<b>Streets, Sidewalks &amp; Bridges</b>	<b>77.8M</b>
Curb, Gutter and Sidewalk	5,000,000.00
<b>Civic Facilities Fund</b>	<b>21.7M</b>
Civic Center	2,170,000.00
Stadium/Amphitheater	17,030,000.00
<b>Sewer Fund</b>	<b>69.8M</b>
<b>Water Fund</b>	<b>7.7M</b>
Crystal Spring Filtration Plant	5,445,000.00
<b>TOTAL</b>	<b>\$ 384.0M</b>

It was noted that funding for debt service on financing \$56,245,000.00 on bonds will be provided by:

\$735,000.00 increase in cigarette taxes, \$700,000.00 of utility tax revenues dedicated to the Roanoke River Flood Reduction project, designation of \$570,000.00 of general revenues in each of the past two fiscal years toward debt service on future bonds; increased civic center revenues resulting from NBDL and SFX events, increased Transportation Fund revenues resulting from parking fees from Shenandoah Parking Garage and increased Water Fund revenues resulting from water rate restructuring.

There was discussion with regard to the future financing plan for the \$36,870,000.00 General Obligation Bond issue for the next phase of CIP:

<b>Art Museum/IMAX Theater</b>	<b>\$ 3.7M</b>
<b>High School Facility Improvements</b>	<b>17.5M</b>
<b>Neighborhood Storm Drain Program</b>	<b>2.0M</b>
<b>New Police Building - Phase II</b>	<b>6.67M</b>
<b>Parks Master Plan - Phase II</b>	<b>7.0M</b>



Funding for next bond issue to come from General Fund revenue growth reserved each fiscal year for future debt service.

It was noted that the \$36.9 million bond issue is anticipated to occur in early calendar year 2004.

With regard to the City's bond ratings and bond issuance, it was advised that a team of City staff met with three bond rating agencies in November 2001 to discuss Roanoke's financial status; all three rating agencies retained the City's AA bond rating; and a total of \$56.245 million in bonds were sold.

**\$44.245 million in general obligation funds at 4.5 per cent**

**\$12 million in qualified redevelopment bonds at 4.75 per cent**

Discussion ensued regarding new capital projects under consideration by Council:

<b>Civic Center - Phase II</b>	<b>\$ 14,941,020.00</b>
<b>Fire-EMS Strategic Plan</b>	<b>7,310,000.00</b>
<b>*New Station #1 (Consolidate Stations #1 and #3</b>	
<b>*New Station in Melrose Avenue area</b>	
<b>(Consolidate Stations #5 and #9)</b>	
<b>*New Station in northern Williamson Road area</b>	
<b>(Relocate residential component of Airport Station)</b>	

<b>TOTAL</b>	<b>\$ 22,251,020.00</b>
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**Requests received for additional capital projects include:**

<b>Boys and Girls Clubs of Roanoke Valley, Inc.</b>	<b>\$ 1,650,000.00</b>
<b>*Donation of property plus 30 per cent of construction cost</b>	
<b>Building Condition Assessment Program - Years 1 - 4</b>	<b>2,040,000.00</b>
<b>Connector Road from Ordway Drive to Frontage Road</b>	<b>695,000.00</b>
<b>Dumas Phase II Expansion Project</b>	<b>500,000.00</b>
<b>Percent for Art</b>	<b>192,701.00</b>
<b>Roanoke Redevelopment &amp; Housing Authority - Low and Middle Income Housing in Washington Park</b>	<b>497,500.00</b>
<b>Stormwater Management Projects - Years 1 - 5</b>	<b>11,000,000.00</b>

**Water Pollution Control Plant (City Share)**

**17,500,000.0  
0**

There was discussion in regard to the above referenced funding requests in which it was noted that such requests should be screened by City staff prior to presentation to Council based on certain established criteria. The City Manager explained that the items represent a public list of all proposals received by the City, she is prepared to make a recommendation to Council at the appropriate time on those projects that should be included in the capital budget for next year, and Council is requested to provide input relative to acceptable project(s), timing, etc. She explained that Council was not being requested to approve the list at this time, but she felt an obligation to advise Council of those requests that have been received by the City to date.

Following discussion, it was the consensus of Council that establishment of criteria for organizations submitting funding requests should be the topic of a future Council work session.

**The following capital project funding options were reviewed:**

**Civic Center - Phase II**

**Total project cost - \$14.9 million**

**Amount to be financed - \$14.3 million**

**Annual debt service cost - \$1,192,264.00**

**Possible funding sources:**

<b>*Additional Revenue from Operations</b>	<b>\$482,012.00</b>
<b>*5 per cent Capital Improvements Fee</b>	<b>346,685.00</b>
<b>*1.5 per cent increase in Admissions Tax</b>	<b>363,567.00</b>

**(6.5 per cent tax rate city-wide – all new revenue would be allocated to fund debt service for this project)**

Council Member Bestpitch requested information on the total amount of admissions taxes collected for civic center events, non-profit cultural events, and other entertainment venues such as movie theaters, etc.

There was discussion in regard to capital project funding options for civic center improvements; whereupon, some Members of Council requested more

information prior to voting on the proposed options. Another Member of Council spoke to increasing civic center rental fees, or increasing the price of ticketed events in lieu of raising the admissions tax.

The City Manager advised that the proposed increase in the admissions tax at the civic center, only, was intended to place a fee on ticketed events; promoters have indicated their thresholds in terms of what they are willing to pay and there is a concern as to when promoters will choose to take their business to other entertainment venues. She advised that City staff is of the opinion that users of the civic center facility should pay for improvements, and suggested that Council consider requesting the 2003 Session of the Virginia General Assembly to approve the same Admissions Tax bill that was defeated at the 2002 Session of the General Assembly.

**Other capital project funding options discussed:**

**Fire-EMS Strategic Plan**

- \*Project expenditure plan for the three new stations under development - \$7.3 million
- \*Cash funding of \$800,000.00 available in CIP
- \*New nationwide EMS fee schedule approved by Medicare would generate additional revenue, if adopted by Council, to help fund capital costs (Report to Council planned for March 18)

**Percent for Art**

*Cost for current projects suggested by Percent for Art Committee	
Civic Center - Phase I	\$ 34,850.00
Crystal Spring Filter Plant	57,851.00
Roanoke Academy for Math and Science	100,000.00
*Funding source – Capital Fund interest earnings	
*Future projects recommended by Committee	
Police Building - Phase II	\$ 42,500.00
Neighborhood Storm Drain Program	20,000.00

There was discussion with regard to the intent of the Percent for the Arts Program; whereupon, the City Manager advised that since adoption of Resolution No. 33077-081996 by Council on August 19, 1996, there have been no allocations

under the Capital Improvements Program for this purpose. She noted that the Roanoke Arts Commission has recently been energized on the issue and therefore, brought the matter forward. She advised that clarification will be provided for Council before any action is taken pursuant to the program.

A presentation was made on debt service and debt policy. Planned debt issuance includes:

**\$36.9 million General Obligation bonds for the next phase of the CIP.**

**\$20.5 million in Literary Loans/VP SA Bonds for Patrick Henry High School renovations.**

**\$14.3 million General Obligation bonds for Civic Center renovation.**

**\$9.6 million VP SA/Literary Loans for Elementary School Improvements.**

**\$40 million in General Obligation Bonds and Literary Loans/VP SA Bonds for William Fleming High School.**

**Capital Leases.**

**Future Bond Issuance and Associated Financing Plan - \$36,870,000.00 General Obligation Bonds:**

**\$36,870,000.00 General Obligation Bond issue by fiscal year 2004 for next phase of CIP:**

<b>Art Museum/IMAX Theater</b>	<b>\$ 3.7M</b>
<b>High School Facility Improvements</b>	<b>17.5M</b>
<b>Neighborhood Storm Drain Program</b>	<b>2.0M</b>
<b>New Police Building - Phase II</b>	<b>6.67M</b>
<b>Parks Master Plan - Phase II</b>	<b>7.0M</b>

**Funding for next bond issue to come from General Fund revenue growth reserved each fiscal year for future debt service.**

**Future Bond Issuance and Associated Financing Plan - Patrick Henry High School:**

**\$20.5 million in VPSA Bonds or Literary Loans will also be issued for the Patrick Henry Project between fiscal year 2005 and 2006**

**\$7.5 million in Literary Loans expected in fiscal year 2005**

**\$13.0 million in VPSA Bonds anticipated in fiscal year 2006**

**Funding for these bonds/loans will be provided by the Schools.**

**Mr. White inquired about the relationship of City and School funding of debt service during the time that Patrick Henry and William Fleming High Schools were constructed.**

**Future Bond Issuance and Potential Financing Plan - \$14.3 million Civic Center Bonds:**

**\$14,300,000.00 General Obligation Bond Issue in fiscal year 2003 for Civic Center Renovations.**

**Funding for debt service on this bond issue would come from the following sources:**

**1.5 per cent increase in the Admissions Tax rate city-wide.**

**5 per cent Capital Improvements fee added to ticket prices for events at Civic Facilities.**

**Net additional revenues from operations.**

**Future Bond Issuance and Associated Financing Plan - Elementary School Renovations:**

**Literary Loans or VPSA Bonds of \$4.8 million in each of fiscal years 2005 and 2006 for elementary school renovations which are to be paid by the Schools.**

**Future Bond Issuance and Associated Financing Plan - \$40.0 Million William Fleming Renovation:**

**Debt totaling \$40 million will be issued beginning in fiscal year 2007 pertaining to the renovation of William Fleming High School.**

**Assumptions for planning purposes are as follows:**

**\*\$20.0 million to be issued as fiscal year 2007 general obligation bonds and paid by the City.**

**\*\$7.5 million Literary Fund Loans issued in fiscal year 2007 and paid by the schools.**

**\*\$12.5 million in VPSA bonds also in fiscal year 2007 paid by the Schools.**

**Future Issuance of Capital Leases:**

**Capital leases are considered tax supported debt of the City and are typically funded by the General Fund.**

**Anticipated future capital leases are as follows:**

**\*2002 Capital Equipment Lease - \$1,157,500.00 total lease requiring estimated annual debt service of \$254,000.00 beginning in fiscal year 2003.**

**\*2003 Capital Equipment Lease - additional lease funding for equipment and technology will be considered when developing the fiscal year 2003 CMERP program subject to debt service affordability in fiscal year 2004.**

**Assumptions on Debt and Funding of Debt Service:**

**\*Historically, the City has funded debt service on General Obligation Bonds, whether for City or School projects.**

**\*The Schools have traditionally funded debt service on VPSA Bonds and Literary Fund Loans.**

**\*In analyzing tax burden, all such debt is considered tax supported debt of Roanoke due to vesting of taxing authority in the City.**

**\*Generally, debt of Proprietary Funds (Water, Sewer, Civic Center, Parking) is considered self-supporting and excluded from debt burden calculations.**

**\*General Obligation and Virginia Public School Authority bonds were amortized using level principal and an interest rate of 6 per cent.**

**\*Literary Loans were amortized at an interest rate of 4 per cent.**

**\*All debt amortized over 20 years except capital leases. These have 3 to 5 year amortizations.**

**\*Transfer to debt service is currently \$12.7 million. It grows to \$18.1 million in fiscal year 2003 based on funds already allocated for debt service.**

**\*Assumed increase in transfer to debt service is an additional \$570,000.00 per year in fiscal year 2006, plus funding required for capital leases.**

**Charts were reviewed regarding current and future General Fund debt service, future General Fund debt service and planned transfer to debt service fund, General Fund debt - current and future (City or school projects); School debt - current and future (City or School projects); and future City and School debt service.**

**The following Debt Policies were reviewed:**

**\*Non-proprietary general obligation debt service will not exceed 10 per cent of General Fund expenditures.**

**\*New bonded debt will not exceed 5 per cent of the assessed value of real estate.**

**Net bonded debt is general obligation debt for the City and School Board, exclusive of Proprietary Fund debt and the amount available in the Debt Service Fund.**

**\*Net debt per capita will not exceed \$2,000.00.**

**At this point (11:35 a.m.), Council Member Bestpitch left the meeting.**

**There was discussion as to whether or not the \$2,000.00 net debt per capita will be adjusted due to inflation; whereupon, the City Manager advised that a recommendation will be presented to Council during fiscal year 2002-03 budget study.**

**Calculations were provided on the ratio of debt service to General and School Fund expenditures (10 per cent); and ratio of net bonded debt to assessed value of real estate (5 per cent); Net bonded debt per capita (\$2,000.00) and Debt statistics of certain urban cities.**

**Mr. White requested copy of the debt service policy of the following urban cities: Hampton, Lynchburg, Newport News, Norfolk, Portsmouth and Richmond.**

**Following discussion, it was the consensus of Council that those jurisdictions participating in the Virginia First Cities Coalition will be used for future comparison/benchmarking purposes by the City of Roanoke.**

**At 12:00 noon, the Mayor declared the meeting in recess for lunch.**

**(Council Member White left the meeting.)**

**The meeting reconvened at 1:10 p.m., in the Buck Mountain Room at the Hotel Roanoke Conference Center, with Mayor Smith presiding, and all Members of the Council in attendance, with the exception of Council Members Bestpitch and White.**

**Staff of the Office of Management and Budget presented information on management of financial resources through strategic planning, including Roanoke's Vision, focus areas and strategic issues, Roanoke Vision Progress report, Comprehensive Plan - Vision 2001, organizational restructuring, annual Citizen survey, departmental Strategic Business Plans and Financial Planning Sessions; and business planning, including the annual budget, monthly and annual financial reporting, Capital Improvement Program, Capital Maintenance and Equipment Replacement Program, financial policies, including Debt Policy and Debt, and Fee and Revenue Compendiums.**

**Office of Management and Budget staff also reviewed the following budget document and budget process benchmarking efforts:**

**\*Benchmarking with best practices**



**National Advisory Council on State and Local Budgeting assesses the budget process as to how well it helps to establish broad goals to guide government decision-making, develop approaches to achieve goals, develop a budget consistent with approaches to achieve goals and evaluate performance and make budgetary adjustments.**

**Government Financial Officers Association evaluates the budget document as a communications device, financial plan, operations guide and policy document.**

**Information was provided on the fiscal year 2001 revenue performance compared to the fiscal year 2002 adopted budget.**

**Status of the General Fund as of January 31, 2002, is as follows:**

**\*Revenues have increased 2.2 per cent compared to fiscal year 2001**

**Increase of 4.6 per cent in real estate taxes leads revenue growth, Sales tax down 3 per cent, cigarette and transient increased due to rate changes. Cell phone, admissions taxes also up.**

**Permit rate changes and new fees have generated increased revenues from construction-related fees.**

**Revenues from Commonwealth have increased 2 per cent since fiscal year 2001.**

**\*Expenditures have increased 8.7 per cent compared to fiscal year 2001.**

**Largest factor is the single appropriation of CMERP funding designated for capital expenditures during September to simplify the administrative process - previously done incrementally during the fiscal year.**

**Salary increases (3.5 per cent), technology costs and community development expenditures also contributed to the increase.**

**General Fund budget Issues for fiscal year 2002:**

**\*Reduction in state aid to localities due to revenue shortfall for Commonwealth of Virginia.**

**\*\$2.0 million in expenditures are being held administratively in fiscal year 2002 to offset a reduction in state aid.**

**\*Most significant reduction in state aid in current budget bills affects HB 599 Funds - \$252,000.00-353,000.00 reduction.**

**Impact of economic slowdown on local taxes.**

**\*Continuing public/private investment may help to mitigate this situation.**

**There was discussion with regard to HB 599 in which some Members of Council were of the opinion that the citizens of Roanoke should be advised that by decreasing funds to localities, the Commonwealth of Virginia is, in fact, cutting jobs and Standards of Learning dollars, etc.**

**There was a review of current economic trends which include a weak or fragile economy at the national, state and local levels: the recession has ended with a 2 to 3 per cent economic growth predicted, consumer spending has held up through the recession, business spending is down dramatically, there is a weak job market, and the states' poor fiscal conditions; low interest rates, with favorable rates for debt issuance, prime rate at 4.75 per cent (36 year low), low mortgage rates sustaining housing market, Enron effect-credit tightening for companies, volatile stock markets; and regional competition/regional cooperation through shopping centers and superstores, industrial/research parks, and economic pressure for regional cooperation.**

**A comparison was presented showing that the City of Roanoke leads all Virginia MSA's in 2000 per capita taxable sales at \$11,978.00; a list of MSA largest private employers, with Carilion Health System ranking first with 6,236 employees; a 1999 Roanoke City per capita income compared to certain other Virginia cities in which the City of Roanoke ranked second at \$25,600.00.**

Charts were reviewed demonstrating fiscal year 2003 General Fund revenues, fiscal year 2003 local tax revenues; General Fund revenues for fiscal year 2003 in the categories of real estate tax, personal property tax, sales tax, utility tax, BPOL, meals tax, intergovernmental and all other, showing an average 5 year growth totaling 4.4 per cent, a fiscal year 2003 projected total of \$192,792,476.00, a fiscal year 2003 projected dollar growth totaling \$1,446,379.00 and a fiscal year 2003 projected percentage growth totaling .76 per cent.

The most significant state aid reductions for fiscal year 2003 are:

ABC/Wine Tax, Recordation Tax, Rental	
Car Tax and Rolling Stock Tax	\$ 175,000.00
Constitutional Officers Expense	
Reimbursement	907,000.00
Library Aid	18,000.00
HB 599 Law Enforcement Assistance	335,000.00
VJCCCA Funding	240,000.00
<b>TOTAL REDUCTIONS POSSIBLE</b>	<b>\$1,675,000.00</b>

Potential revenue initiatives were presented, i.e.: real estate, utility consumer, cigarette, transient room, admissions, meals, E-911, motor vehicle decal, cable television utility, and short term rental; and comparative local tax rates of the City of Roanoke and other urban Virginia localities in the categories of real estate, personal property and transient room, meals, admissions, phone E-911, vehicle decal, cable television franchise and cable television utility, short term rental, and cigarette.

Priority funding items for fiscal year 2003 are:

*Personal Services	\$ 1.9M
*Operating Expenditures	0.8M
*Capital Expenses/Debt Service	0.8M
*Transfer to Roanoke City Schools	1.0M
<b>TOTAL ANTICIPATED EXPENDITURES</b>	<b>\$ 4.5M</b>
<b>LESS ESTIMATE REVENUES</b>	<b>1.4M</b>
<b>Balancing Figure</b>	<b>(\$3.1M)</b>

It was noted that in anticipation of loss of revenue by the state, each City of Roanoke department was requested to decrease their budget by five per cent.

**New funding requests for fiscal year 2003 are:**

<b>*Blue Ridge Technical Academy - \$100,000.00 per year for three years</b>	<b>\$300,000.00</b>
<b>*Center in the Square - Increase in annual funding from \$200,000.00 to \$218,000.00, plus one time request of \$250,000.00</b>	<b>268,000.00</b>
<b>*Conflict Resolution Center - Annually recurring budget for mediation service for Roanoke's courts due to state budget reductions</b>	<b>53,400.00</b>
<b>*New Century Venture Center - Annually recurring budget of \$100,000.00</b>	<b>100,000.00</b>
<b>*Roanoke Adolescent Health Partnership - Annually recurring funding in the range of \$25,000.00 - \$55,000.00</b>	<b>25,000.00 - 50,000.00</b>
<b>*Science Museum of Western Virginia - Underwrite cost of current loan on Megadome theater for term of loan in exchange for naming rights - \$210,000.00 and underwrite educational staff salaries in non-specified amount</b>	<b>210,000.00</b>

**Status of the School budget is as follows:**

**Total Revenue Increase - \$ 1,648,428.00**

<b>- Local Revenue -</b>	<b>\$ 905,377.00</b>
<b>- State Revenue -</b>	<b>486,192.00</b>
<b>- Other Sources -</b>	<b>256,859.00</b>

**Highlights**

- Average employee raise of 2.75 per cent**
- Operating reductions total \$639,000.00 (10.3 FTE)**

**Total of \$218,000.00 allocated to budget priorities**

- Assumption of local cost of Round Hill Montessori aides
- Enhanced retirement benefits for transportation employees
- Implementation of site-based Leadership Development Program

**Unfunded Priorities - \$325,000.00**

- Improvement of employee salaries

Those items that were referred to the Financial Planning Session include a request for information regarding funding for cultural organizations, a request for information regarding funding for human services agencies, and discussion of division of responsibilities among various departments and reporting relationships.

The City Manager advised that in view of time constraints and the absence of two Council Members, it is anticipated that discussion of division of responsibilities among various departments and reporting relationships will be discussed at the Monday, April 1 City Council meeting.

Figures were provided with regard to the admissions tax in certain other Virginia cities, the highest being 10 per cent in Chesapeake, Hampton, Norfolk, Portsmouth and Suffolk, and the City of Roanoke at 5 per cent.

**General Fund budgets for the following cultural and human services agencies for fiscal year 2002 are as follows:**

<b>-Cultural Services</b>	<b>\$ 283,443.00</b>
* 17 organizations receive funding ranging from \$1,875.00 to \$85,000.00	
<b>-Human Services</b>	<b>474,769.00</b>
* 36 organizations receive funding ranging from \$1,000.00 to \$45,800.00	
<b>TOTAL</b>	<b>\$ 758,212.00</b>
<b>HUD budget for Human Services</b>	<b>357,369.00</b>
*17 organizations receive funding ranging from \$9,000.00 to \$43,000.00	

**\*7 out of the 17 organizations have been funded more than 5 years (6 to 10 year range) - total annual cost for these agencies is \$165,000.00**

**Impact of new HUD policy**

**\*Programs funded for fiscal year 2003 eligible for at most 2 more years of funding in reducing amounts**

**\*\$25,000.00 minimum funding level**

**Admissions Tax increase options include:**

**1.5 per cent increase in Admissions Tax rate has been recommended to fund Civic Center - Phase II project.**

**Each additional 0.5 per cent increase in Admissions Tax rate city-wide would generate \$82,000.00 in additional revenue.**

**50+per cent of additional tax revenue is estimated to be paid by non-city residents because of the regional draw of the types of events for which the tax would be collected.**

**Non-profit primarily cultural agencies collected over \$122,000.00 in Admissions Tax in fiscal year 2001 at the 5 per cent tax rate.**

**0.5 per cent increase in Admissions Tax rate = 11 per cent increase in funding for Cultural and Human Services Committees.**

**Distribution of Additional Admissions Tax Revenue:**

**\*Roanoke City Code Section 2-271(g) charges the Roanoke Arts Commission with the duty to review requests for funding from private cultural agencies, advise Council as to the merits of each request, recommend funding allocations, and monitor results.**

**\*Roanoke City Code Section 2-301(b) charges the Human Services Committee with the duty to review requests for funding from private social service agencies, advise Council as to the merits of each request, recommend funding allocations and monitor results.**

**\*Additional revenue from Admissions Tax rate increase could be allocated to cultural and human services agencies by the Roanoke Arts Commission and Human Services Committee.**

**\*Staff can review the methodology used by these funding entities in allocating funds for the fiscal year 2004 funding cycle - the same time the new HUD funding policy begins to take effect.**

**The City Manager requested direction from Council as whether there is a need to increase funding for cultural and human services agencies beyond that which has been the traditional increase. She requested the opportunity to submit a recommendation to Council during fiscal year 2002-03 budget study.**

**Prior to taking any action on increasing the Admissions Tax, Council Member Harris requested a five-year history on ticket fees charged by cultural organizations.**

**In regard to those cultural organizations that are facing significant state funding budget cuts, as a ball park figure, Ms. Wyatt discussed the feasibility of the City providing one-half of the shortfall and the cultural agency providing the other one-half.**

**The City Manager requested direction from Council in regard to funding for human services agencies; whereupon, a suggestion was offered to review the funding level under the new HUD policy allocations, compared with the current funding level, with an eye toward incrementally funding the organizations in 2004 in conjunction with established funding criteria.**

**The City Manager advised that Council has not officially adopted a capital budget to fund \$14.9 million in civic center improvements, and the City's proposed fiscal year 2002-03 budget will include a Capital Improvements Program budget to provide for civic center improvements through the following funding sources: a 1.5 per cent admissions tax increase, capital maintenance replacement fees which can be implemented by the Roanoke Civic Center Commission, and retained earnings from operations which can be addressed internally.**

**There was discussion with regard to decreased funding by the State for Constitutional Officers; whereupon, the City Manager advised that at present, the City is out of budget by \$3.1 million; each City department was requested to submit a budget with a 5 per cent reduction, and if every departmental budget with the 5 per cent reduction were acceptable, the City's budget would still be out of balance by \$1.4 million, the City is challenged in fiscal year 2003 as to whether or not it will be**

able to provide a pay increase for City employees; and it is expected that there will be an even greater reduction in employees in fiscal year 2003 than in fiscal year 2002. She advised that information on State budget cuts should be available by March 15 and will be promptly forwarded to Council.

Mr. Hudson expressed concern with regard to the spending practice of some City department managers who purchase unnecessary items at the end of the fiscal year because there may be excess funds in their departmental budget. He stated that those purchases that cannot be justified should be denied.

A question was raised in regard to the \$80,000.00 per month for the Department of Social Services to occupy the former Sears building; whereupon, the City Manager advised that the lease was drafted so as to provide that if State funding is not available, the City will not be bound by terms of the lease. Additionally, she advised that in the latter part of 2001, restrictions were placed on spending by City departments in anticipation of funding difficulties, and the City is now in a total hiring freeze in order to save money.

There being no further business, the Mayor declared the meeting adjourned at 3:00 p.m.

**A P P R O V E D**

**ATTEST:**

**Mary F. Parker**  
**City Clerk**

**Ralph K. Smith**  
**Mayor**

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